



From the office of **State Controller Kathy Augustine**

PRESS RELEASE

For Immediate Release

www.controller.nv.gov

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\$5 MILLION PAID TO NEVADA THROUGH STATE CONTROLLER'S DEBT COLLECTION PROGRAM

Additional State Agencies Contract for Controller's Debt Collection Services

Carson City, NV. April 18, 2006. State Controller Kathy Augustine announced today her office has achieved a **major milestone** by collecting more than \$5 million in past due receivables owed the State of Nevada through her aggressive debt collection program.

The State Controller's Office is authorized to act as the centralized point of collection for the state, however it can only collect debt voluntarily referred by a state agency. Currently, 28 state agencies, boards and commissions have contracted with the State Controller's Office for debt collection services. There is no fee or cost to the agencies for the Controller's Office services.

"My office is committed to maximizing revenues, minimizing costs and serving state agencies through the use of innovative debt collection tools," said Controller Kathy Augustine. "We utilize several methods of collecting including our vendor hold/debt-offset program, in-house collection and outsourcing of debt."

The debt-offset program identifies debtors who bill the state for goods, or services. When a vendor owes the state, a hold status is placed on the vendor so any payment voucher processed is rejected by the system. The amount of the intercepted payment is then transferred to the agency that is owed.

The State Controller's Office has contracted with the private debt collection firm OSI Collection Services, Inc. "Outsourcing debt collection is one of the most cost effective ways to collect debt as the majority of the cost to collect is passed onto the debtor," said Augustine.

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State Controller Collects \$5 Million

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During the 2005 legislative session the Controller's Office added another tool to aid the debt collection program. A uniform statewide returned check fee of \$25 for non-sufficient funds checks written to the state was put into effect. Senate Bill 112 extends the non-sufficient funds fee to any method of payment returned or otherwise dishonored, including credit card and electronic payments. This statutory change provides the State a new way to recoup associated costs when both credit card and electronic payments are returned.

More information about the debt collection program can be found on the State Controller's website at www.controller.nv.gov.

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